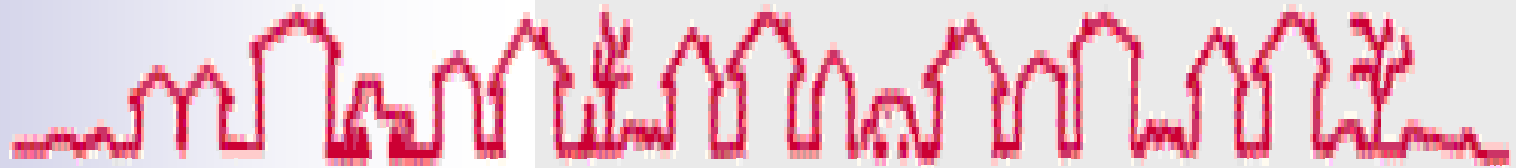




# California's Housing Needs



**California Department of Housing and Community Development**  
**Lucetta Dunn, Director**



# Identifying the Problems

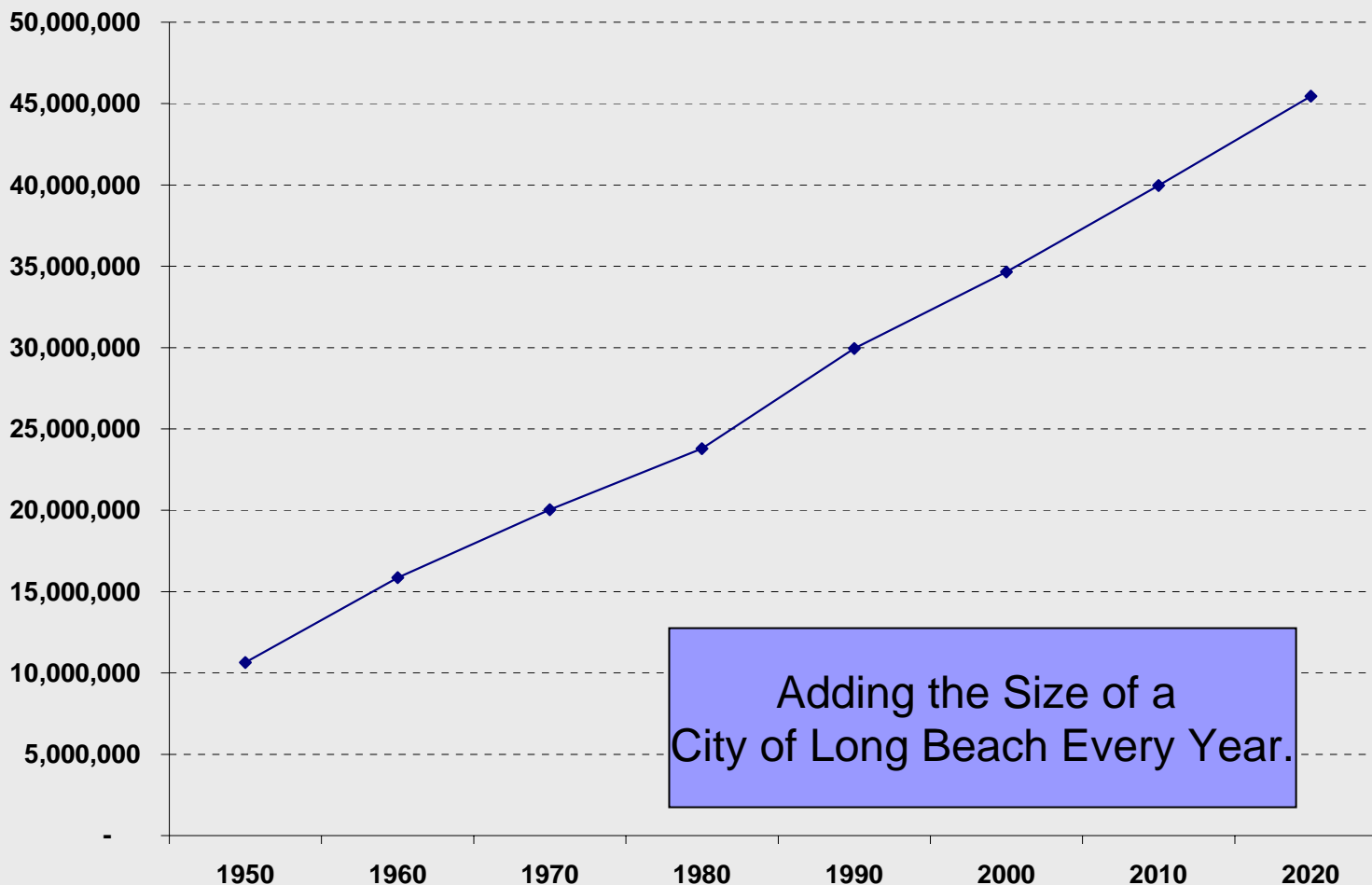


# Housing Demand Influences

- Strong Population Growth
- Changing Demographics
- Housing Supply Shortage
- Declining Affordability
- Job Growth
- Favorable Mortgage Rates

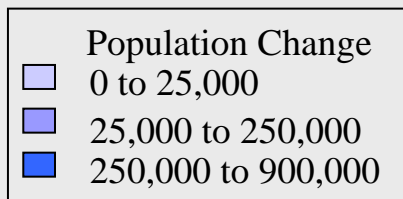
# Strong Population Growth

*California's Population Predictably Grows About 500,000 Per Year.*



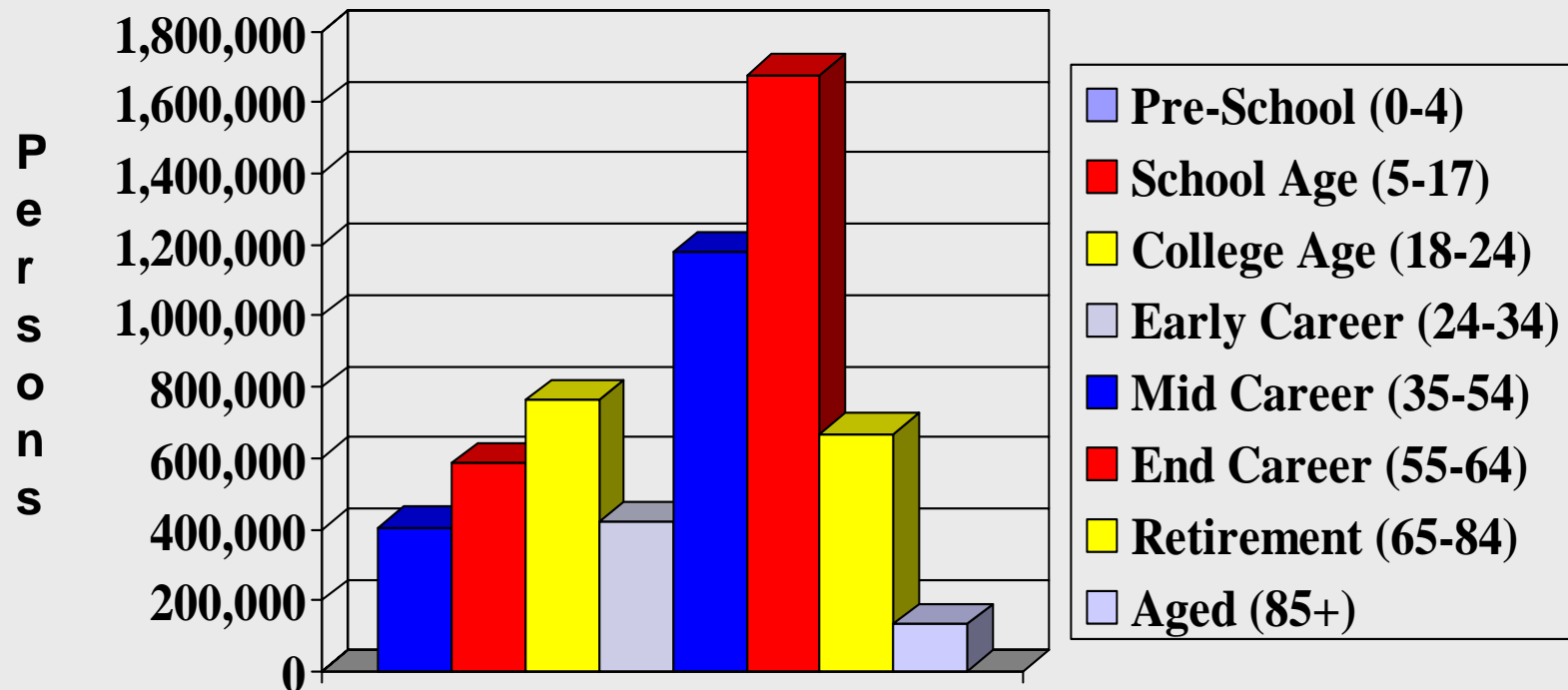
# Strong Population Growth

California Today: 37 million  
California 2020: 44 million



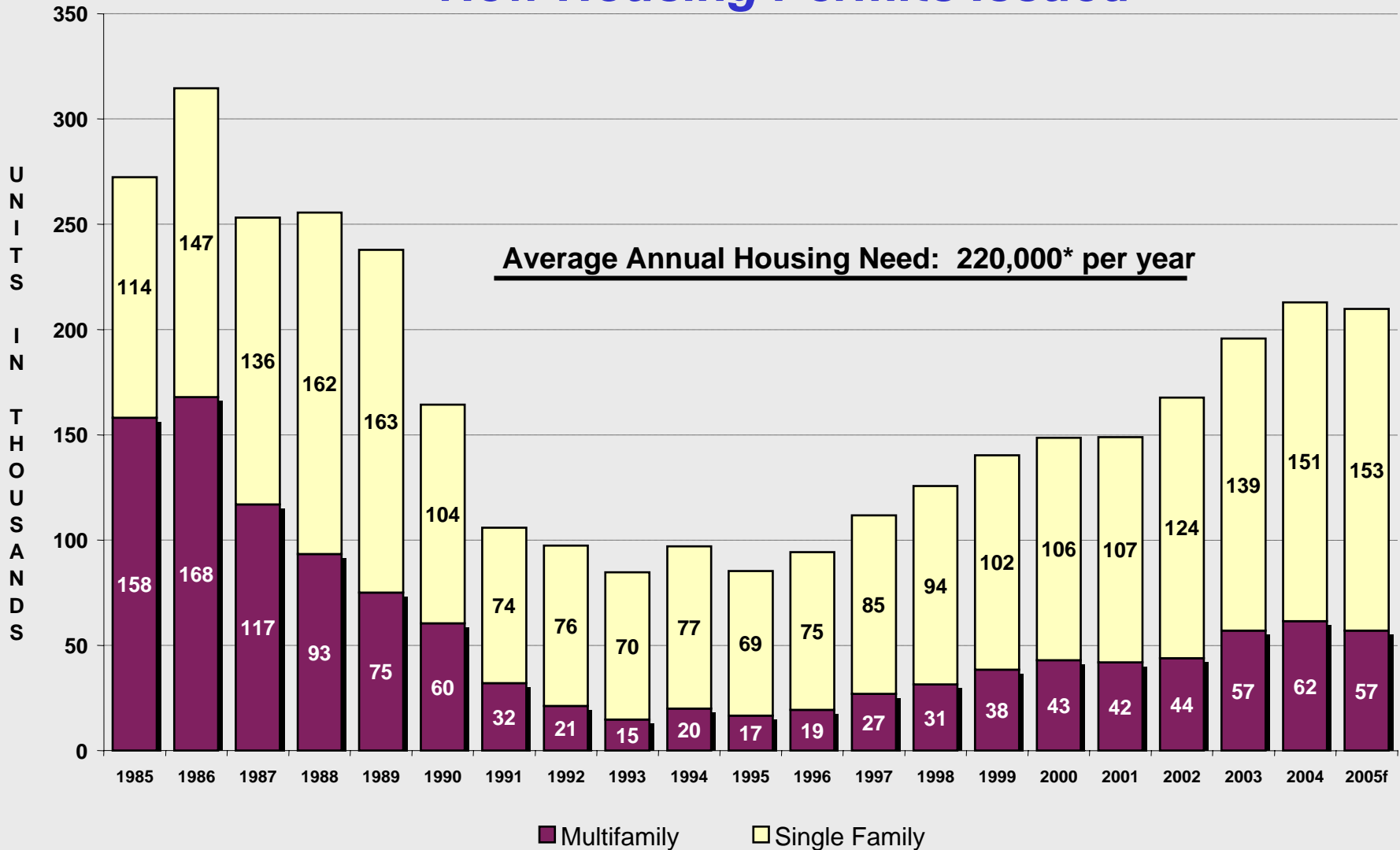
# Changing Demographics

CALIFORNIA'S Projected Growth 2000 – 2010 by Age cohort



# California Housing Supply

## *New Housing Permits Issued*



# Declining Affordability



## California County

Los Angeles

Orange

San Diego

Riverside/

San Bernardino

Ventura

## Median Sales Prices:

Aug. 05

Aug. 04

\$568,890

\$473,520

\$564,340

\$455,590

\$716,300

\$649,590

\$616,870

\$579,040

\$NA

\$310,120

\$685,680

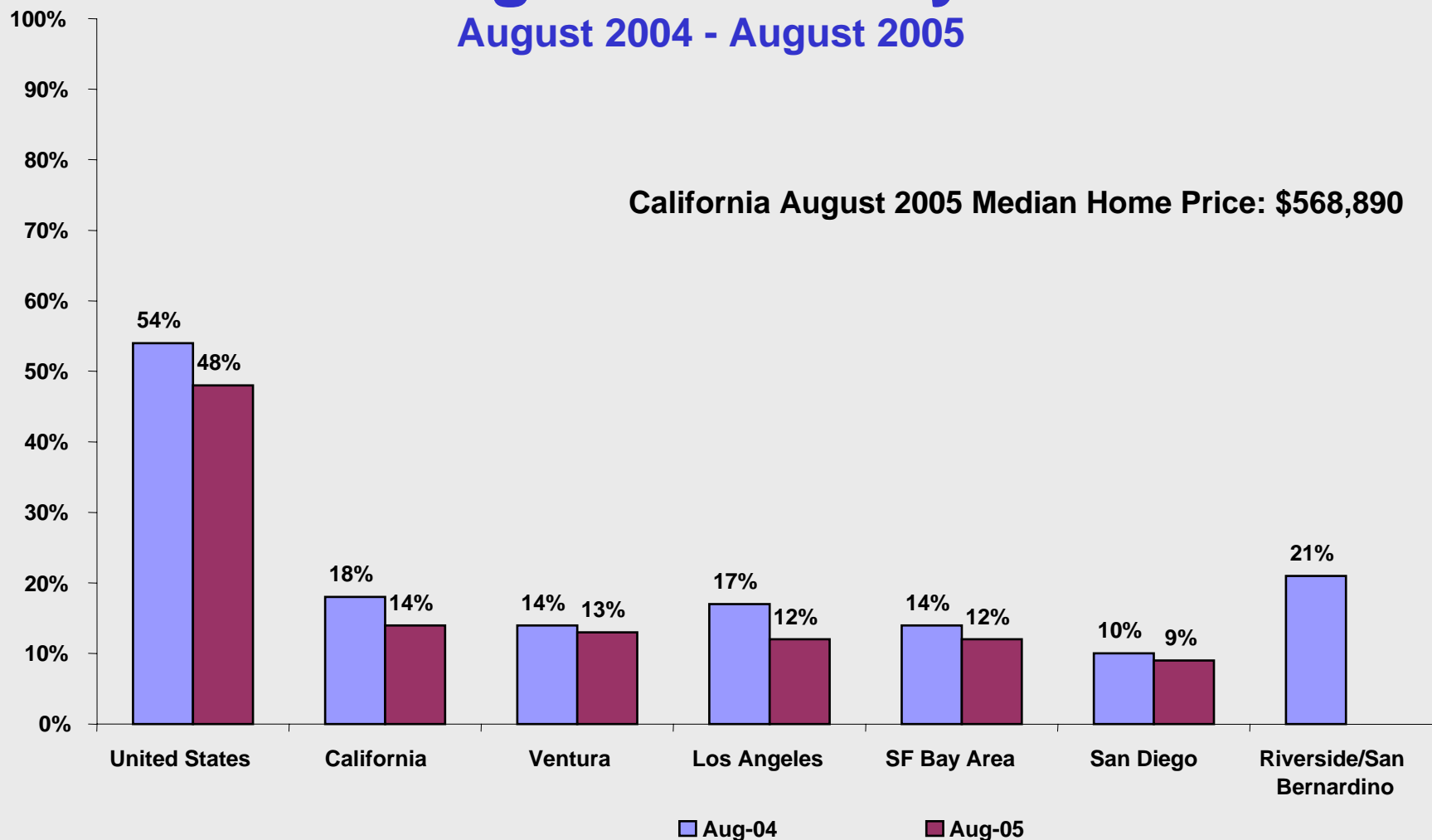
\$626,730



# Housing Affordability Index

August 2004 - August 2005

California August 2005 Median Home Price: \$568,890



Percentage of households able to afford a median-priced detached home



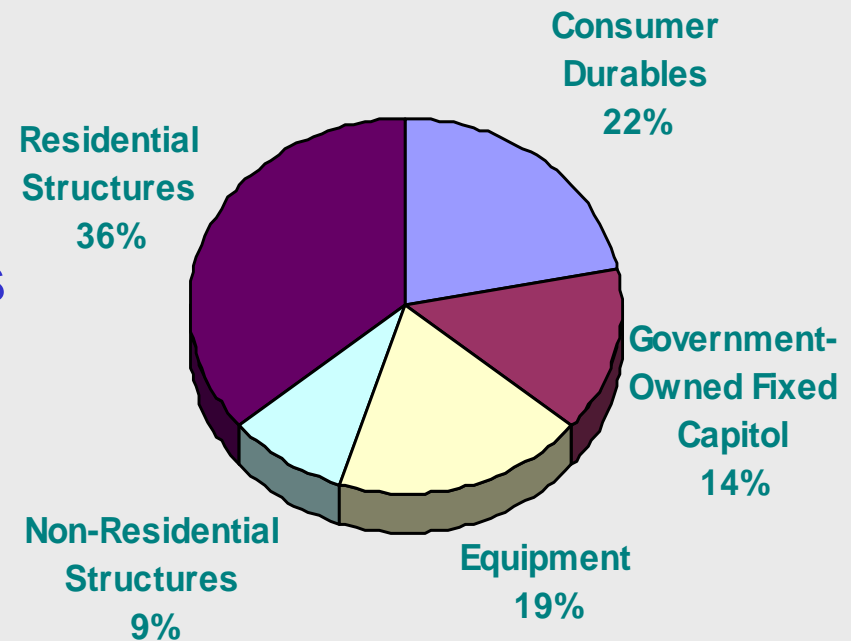
# Why Housing is Important

## *Housing Industry Contribution to the California Economy*

- Contributes \$218 billion per year to economy.
- Generates 935,000 jobs.
- Accounts for approximately 10% of all economic activity in the state.
- Housing industry is the second largest industry group in the state, when all economic multipliers are considered.

# Why Housing Is Important

- Housing wealth has a more immediate impact on consumer spending than stock wealth.
- About 6 in 10 homeowners have more home equity than stock wealth.
- Housing accounts for more than one-third of the nation's tangible assets.





# California's Response

Addressing Our Supply Problem



# **Governor Schwarzenegger Addresses Housing:**

- “We need affordable housing. A home of your own is part of the American Dream. I believe in such dreams.”
- “I want a California where people spend less time sitting on the freeway and more time in the homes that they own.”
- The State’s lack of housing supply has created inefficient land uses and forced housing development further from jobs and population centers.

**When there is enough  
housing that is affordable...**



**Children have stable neighborhoods  
and healthy environments.  
When they thrive, their community thrives.**